

# FOREWORD

Over the past decade, I've been called a salesman, a CEO, a scam artist and even a criminal. I started with nothing and in a few short years became a self-made multi-millionaire, building one of the most successful insurance restoration companies in the country. When falsely accused of criminal activity, I took on one of the largest insurance companies in the world and won a landslide judgment that has changed the face of our industry, for good.

My journey started out in Maryland and Virginia. I grew up poor and my childhood was tough, to say the least. As the oldest of 3 children I became the man of the house at 13 when my mom and dad got divorced. We didn't have very much money before the divorce, but after my dad left, my mom struggled to make ends meet. At the age of 14 I moved in with my father. With bills piling up and hungry mouths to feed, I dropped out of high school at 15 and went to work at the only job a kid with no education or experience could get, in construction labor.

Construction suited me well and by 17 I was promoted to superintendent, the youngest ever in the well-established commercial tenant improvement company I worked for. At 18, I was promoted again, to project manager. Then, I left and went to work for Service Master working with fire, water and mold claims. This was my first experience working with insurance adjusters and negotiating insurance claims. I was intrigued by a business where the contractor was paid by insurance, not directly by the customer.

Although I worked long, hard hours, putting in more time than just about anyone else, I bounced from job to job in construction. The early mornings and corporate schedules were tough and my paycheck was meager. I longed for a job where I could make more money and take control of my destiny. A few months later, my girlfriend Shannon told me she was pregnant and I was going to be a father. I knew it was time to make a move towards making more money and a greater opportunity for success.

Searching through the local classifieds, I answered an ad in the Washington Post titled "*Do you want to make \$100,000 a year?*" At the bottom of the ad it simply said Roofing Sales. I called the number and scheduled an interview. The job was straight commission but thanks to my extensive experience in construction, I was able to negotiate a draw of \$625/week.

At the time I was driving a yellow Honda CRX. The ladder I needed to get up on the roof was longer than my car. With no money for a truck, I strapped the ladder on the roof and secured it the best I could. I looked pretty silly going down the road in a little yellow car with a ladder hanging off the front and back, but it got the job done. The company didn't have a training program, so I hit the field with nothing but business cards, yard signs and contracts, figuring out the roofing business as I went.

I'd be lying if I told you I was successful right out of the gate. My first few months were tough. With little training or direction, I did just about everything wrong, from giving away deductibles, to saying whatever I thought the customer wanted to hear, to sell the job. With no training on how to recognize hail damage, and little knowledge of how the insurance side worked, I screwed up pretty badly in the beginning. In my first 90 days, I sold just 6 jobs. After gas and expenses, I was making chump change.

So, I decided to get some help. I reached out to the other salespeople in the company and proposed we all get together on a regular basis to share our knowledge and help each other succeed. As it turned out everyone in the group excelled at some particular area, but was struggling with something else. From knocking doors, to in-field marketing. From identifying hail damage, to selling jobs, I slowly started learning how to be an effective roofing salesperson.

As the construction expert in the group, I was able to help the other guys who had only worked on the sales side, understand the construction side of the business. I built relationships with insurance adjusters in every zone I worked and learned as much as I could about what factors they took into consideration when deciding to approve or deny a claim. From gathering supporting evidence to proper documentation I quickly became the "go-to" guy for the best ways to get an insurance claim approved and how to get adjusters onboard.

After a lot of trial and error, I developed a unique strategy for selling jobs. Instead of driving all over the city chasing leads, I'd scout out, and park myself in one area with plenty of hail damage and not a lot of competition. My first area had just 17 streets and I was committed to own that neighborhood. Every day, I would work those 17 streets from morning to night getting to know every homeowner. Every time I saw someone out on their front lawn, or porch, I stopped, got out of my truck and introduced myself. I was a friend to everyone and quickly became a source of reliable information for roofing, hail damage, and insurance related questions. The more time and effort I put in to building relationships, the more referrals and recommendations I got, and the more jobs I sold.

I worked my butt off from early in the morning to late at night, and my yard signs covered the lawns of the homes on those 17 streets. Because I was in the neighborhood every day, knocking on doors, putting up signs, hanging door hangers and handing out business cards I became well known to virtually every homeowner in the area. I learned how to ask the right questions and how to overcome objections. Nothing was going to stand between me, and selling the job.

The referral program I developed worked like a charm. By simply asking homeowners "can you help me" and by offering a small, cash referral fee, no more than \$100, I started getting more jobs from referrals. Despite a slow start, I finished my first year with over \$1.6M in personal sales.

By February I had stopped knocking doors and working weekends. Thanks to the groundwork and foundation I put in place, I was able to focus on referrals Monday through Friday. I had plenty of time to supervise my jobs, get to know our crews, and make sure each homeowner was 100% satisfied. I was earning more money than I had ever thought possible. With access to real money for the first time in my life, I started spending weekends at the beach, staying in the best hotels, eating good food and partying into the night.

We finished that season with \$23M in sales. It was the most successful season in the company's history. To reward the sales team for our hard work, the company took us to Las Vegas for a week as a reward for our success. I took \$10,000 in cash with me, basically my life savings. Lady luck was on my side, at the beginning of the trip. At one point, I had won over \$19,000 over what I had brought with me. Although Shannon and my friends begged me to walk away, I stayed at the tables and lost every penny of my winnings and my entire savings. While it was a devastating blow to lose all my money, I knew I could go back home and start making money again. With a full pipeline of jobs in production, I had over \$80,000 in commission checks coming my way. I was also owed \$15,000 in pre-commissions that I had not been paid yet.

The Monday morning after I got back from Las Vegas, I walked into my office and the girl at the front desk told me the boss needed to speak to me. To make a long story short, I had gotten on the wrong side of a few people, and was fired that day because of company politics. The boss handed me a check for \$1,200, less than 5% of what I was owed.

After all my hard work I was broke and out on my ass. That was a brutal day. At one point, I broke down and cried. The next day I woke up and decided to take my \$1,200, which was all the money I had in the world, and start my own company. If I could produce \$1M in sales on my own, I'd earn at least \$100,000 a year. With nothing but my truck, a couple of shirts, yard signs, and business cards, I started Radcliff Construction from nothing. Using the same system I'd used to succeed in sales, I went out, found a new area and started selling roofs. After a few successful months, I decided to start hiring staff and bringing on salespeople one by one.

My first year as a business owner was brutal. I learned all the tough lessons the hard way. From figuring out how to hire good people, to dealing with people trying to rip me off to tax and accounting headaches, it was a quick education from the School of Hard Knocks. I focused on working more effectively with homeowners and created a formal training program, teaching my salespeople how to identify storm damage, work with adjusters and create urgency with homeowners. We also worked to educate homeowners, many of whom didn't know they couldn't be singled out for an insurance rate increase for filing a storm damage claim. We calmed their fears and in doing so, set ourselves apart from our competition. I finished my first year with just over \$3M in sales and a nice chunk of change in my pocket.

During my second year, sales had just started to pick up when an F-5 tornado hit the Washington DC area. I was standing on my back porch as hail started hitting. In an instant my phone lit up with my salespeople calling me with reports of severe damage around the city. As soon as the storm was over, I jumped into action, calling a friend in the local fire department. He told me where the worst damage had occurred.

We got our sales team together, gathered all our gear and rented every chainsaw we could find. Then with a convoy of 18 trucks, lead by my Ford F-350 dually we headed to LaPlata Maryland, the most heavily damaged area. When we arrived, the police had set up barriers blocking the streets. No one was being allowed through, but our friend in the fire department arranged a special pass for our trucks to enter. We were the only non-emergency crew allowed in during the first few days after the storm.

We spent the rest of the day and all night going door-to-door with chainsaws and business cards. Neighbors volunteered to hand out our business cards to neighbors who needed help. In the end, we signed over 75% of the homeowners in LaPlata and were invited to participate in the local rebuilding parade, riding down Main Street with all of our trucks all stickered up, waving to the crowd and handing out candy to the kids. We were heroes. By the end of our second year in business we'd done over \$15M in sales.

During the next few years we opened offices in Kansas, Colorado, Missouri, Ohio, Mississippi, Arizona, Maryland, Virginia, Indiana, Illinois and Florida. We continued to push the envelope, aggressively developing better sales systems and processes that made our success easy to replicate. The company just kept growing and growing. Later that year, we launched our first version of a custom built CRM system that helped manage the complexities of running a successful roofing company. At the time we had 8 offices, and we had no idea how out of control our company was until we got away from paper and started using cloud-based technology to manage our business.

In 2005 we opened an insurance adjusting firm called Insurance Claims Specialists with the goal of learning as much as we could about how the insurance system and approval process worked from the adjuster's point of view. Even though we already considered ourselves insurance experts, there was a lot more to learn. Our newfound knowledge gave our sales team a huge advantage over other insurance restoration contractors when it came to working with adjusters, fighting insurance companies and turning denials into approvals.

By the time 2006 rolled around, I was working a massive hailstorm in Indiana. The losses were so heavy that State Farm simply decided to stop paying valid claims. Over 49,000 State Farm policyholders had been denied, when their neighbors were getting approved. Having dealt with the insurance industry for years, I wasn't about to lay down and accept that State Farm simply wouldn't pay valid claims. Armed with my knowledge about the insurance industry, the approval process, and the laws governing insurance companies, I decided to help homeowners fight back. We made signs, flyers and advertisements that said "We Fight Insurance Clams" and took our fight to the streets. Our phones lit up with homeowners telling us about the "misprint" on our signs. This was actually a calculated marketing strategy that brought us a ton of work. Because State Farm was denying their policyholders appraisals, we went to court to force State Farm to honor policy bound appraisals. We got the department of insurance commission involved and paid for engineering reports for non-policy based arbitrations that State Farm put in place to convince the insurance commissioner that State Farm was treating policy holders fairly, while denying their claims.

Homeowners started calling, a few at first, then the floodgates opened. Homeowners told us that most contractors were simply telling them *"we can't help you if you have State Farm Insurance"*. We decided to intensify our fight and push the Indiana State Insurance Commission and the courts to force State Farm to re-open and re-evaluate the claims that had been denied.

For us, fighting for homeowner's rights wasn't just about the money. Sure, we got plenty of work by taking on insurance companies, but in an area with heavy hail damage, there were easier ways to earn money. But, our fight was about more than just profit. When a homeowner invests in an insurance policy to protect their largest asset, a trust is created. Now State Farm, one of the largest homeowner's insurance companies was breaking that trust, and it just didn't seem right to me.

After winning hundreds of State Farm arbitration claims, and spending countless hours fighting in arbitration hearings and working with the state insurance commission, State Farm was fined \$250,000 and forced to re-open more than 49,000 claims in Indiana. As the driving force behind this action, we felt we were standing up for people's rights, and winning, even when the insurance companies were saying no. State Farm decided they had enough of me, and that's when the shit hit the fan.

A few days later, I was walking into an arbitration meeting with a local church pastor and his wife. I was going over the engineering reports with Tim Lee, our engineer on the case, when a man walked up to me wearing a tee shirt and jeans and asked if I was Joe Radcliff? As soon as I said yes, there was a gun in my face and police all around me. "What the fuck did I do", I asked. Then I saw a State Farm manager walk out of the building I was going into laughing. I then looked at my sales manager and said "this is State Farm's doing, call our attorney, call the bondsman and tell my wife everything is ok." The officer responded "if you even talk to State

Farm I will throw your ass in jail.” I decided to cooperate but told the officer this was above his pay grade and for him to take me to jail so I can bond out and get home.

I was in jail for 5 hours. When I was finally released, I learned that State Farm had filed allegations that I was creating man-made damage to get claims approved. Although we had never created damage, we had fought State Farm tooth and nail and they didn’t like it. It later came out in court that State Farm had forced engineers and appraisers to rewrite reports that had originally said “*hail damage*” to say “*man-made damage*”, in order to make the charges stick. Apparently, the big boys at State Farm didn’t like to be held accountable and certainly not by a contractor.

Once I was out of jail an officer told me “there might be news outside, so we’ve arranged for a sheriff to escort you out.” I got outside and the media was everywhere, I was headline news at every local media outlet and the story had gone national. My voicemail was full with people calling from around the country asking if I was okay.

It took 4 years just to get to trial, and in that time I lost my company, employees and reputation. I was characterized as a con artist and criminal. But, I knew the truth and had strong faith that I would be vindicated. So, I decided to forge ahead. In 2009 while all of this was still going on, I launched MaxCon Software to help contractors maximize their success using the CRM and project management software, we had developed to make our company a national success, and become one of the a top insurance restoration contractors in the country.

During the course of the court trial it was discovered that State Farm had created an extensive fraud, with the intention of bringing our company down. From falsified documents, to altered adjuster summaries, to fake engineering reports, the orders to “crush Joe Radcliff and his company” had come down from the highest levels at State Farm. After denying over 49,000 claims, State Farm said I was hurting their brand and credibility with policyholders.

## THE PROCESS

After years in court, battling State Farm’s legal team every step of the way, the final decision came out. We had won and the court awarded me \$14.5 million for intentional defamation by State Farm. Not only was the win a major victory for me personally, but for the entire storm restoration industry. My case has established precedent, now used to govern insurance companies, and decide cases of the same nature, nationwide.

State Farm appealed the court’s decision all the way to the Indiana Supreme Court. In the end, the state’s highest court upheld the decision and forced State Farm to pay us an additional \$2M in fines and interest for a total of \$16.5M, the largest defamation judgment won by a contractor against an insurance company, in history.

The court's decision also sent a firm message to insurance companies and established a precedent that allows contractors to fight for policyholder's rights, and for their own profits. It opened the door for insurance restoration contractors, armed with the right knowledge, information and tools, to force insurance companies to be held accountable for their actions.

## WHERE NEXT

The purpose of the Storm Masters Sales System is to help contractors and salespeople quickly and easily create the same success we did, without having to learn all the tough lessons along the way. The insurance restoration business remains one of the greatest opportunities in construction today. For contractors and salespeople who approach this industry with the right knowledge, systems, tools, and technology it's possible to earn an outstanding living, build a successful company and make your dreams come true.

This manual has been created as a step-by-step guide that outlines and reveals my secrets of success. As you may already know, a successful career in storm restoration requires a commitment to learning, innovation, and keeping up with the changing times.

That's why this edition of the Storm Masters Sales Guide has been fully updated and improved. We hope these changes, along with our committed to keeping contractors on the cutting edge of what is working in the field will improve your experience with these life changing ideas, and help you create the success and prosperity you deserve.

**Joe Radcliff**